Senedd Cymru Y Pwyllgor Newid Hinsawdd, Amgylchedd a **Materion Gwledig** Ymateb Llywodraeth Cymru i lifogydd CCERA(5) FL 04 Ymateb gan Cymdeithas Llywodraeth Leol Cymru Evidence from Welsh Local Government

Welsh Parliament Climate Change, Environment and Rural Affairs Welsh Government's response to flooding **CCERA(5) FL 04 Association (WLGA)**

- 1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales. The three national park authorities and the three fire and rescue authorities are associate members.
- 2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
- 3. WLGA welcomes the opportunity to provide evidence to the Climate Change, Environment and Rural Affairs Committee for the forthcoming scrutiny session on flooding. This report also includes feedback collated from councils in Wales.
- 4. Flooding, coastal erosion and sea level rise are the greatest natural risks facing Wales and are likely to be further exacerbated by climate change. Last winter's floods were some of the most devastating floods to hit Wales in recent history with a succession of storms battering the UK and Wales with consistent rain.
- 5. Unfortunately, this seems to highlight an increasing pattern of more frequent and intense storms. Whilst we have seen continued investment in flood assets from the Welsh Government and councils, this trend also highlights the huge challenge faced by Risk Management Authorities (RMAs) to plan and respond to these types of storms. It also questions the future resilience of services to manage flood risk and cope with the impacts from climate change, especially in light of public expectations that they will and should be protected from all flood events".
- 6. We saw a fantastic response locally during and immediately after the events with council teams working around the clock to try and make badly impacted areas safe and to open-up access to affected areas. We also saw some very good solidarity amongst councils with the less impacted offering officers and equipment to support those in needs. There was also a huge response from communities and volunteers with a very high level of relief and help offered.

7. The Welsh Government response was also very positive offering a range of financial assistance to councils and homeowners¹. Councils also received further support from the WG's Flood & Coastal Erosion Risk Management (FCERM) branch through a high level of flexibility enabling RMAs to prioritise how to use the FCERM funding for emergency works.

Q1: Is the current level of funding provided by the Welsh Government for flood and coastal erosion risk management (FCERM), and for relevant authorities to provide emergency flood response sufficient?

- 8. Flood & Coastal Erosion Risk Management can be linked with day to day activities delivered by Risk Management Authorities (RMAs) to manage the risks from flooding. These include pre-planned capital works aimed at improving flood risk assets, inspection and maintenance of these assets, flood awareness as well as delivery of a range of statutory functions linked with flood risk management and sustainable drainage. These activities are usually funded through a mix of capital and revenue funding from the Welsh Government FCERM Branch as well as match funding from councils.
- 9. The current level of capital funding provided by the WG FCERM Branch for ongoing activities is adequate purely based on the inability of RMAs to deliver more capital schemes due to a lack of capacity. Furthermore, councils are also limited in the amount of capital schemes they can deliver due to the requirement to match fund 15% of construction works. To ease this issue the WG made some very positive changes to the programme this year by funding 100% for scheme development and reducing from 25% to 15% the intervention rates for coastal schemes. Our members welcome these changes and are calling for these changes to remain in place for the foreseeable future and not seen as a 'one-off' measure. It is important to note that the COVID pandemic has also placed more financial hardship on councils and significantly increased the cost of capital schemes making the 15% match funding even harder to find.
- 10. Whilst we acknowledge that the current level of capital funding from the Welsh Government for FCERM is adequate based on what we can physically deliver, it is important to note that this level of funding is insufficient to protect all communities in Wales. Considering climate change and projected increased risks, it would be unaffordable and highly unsustainable to consider capital investment to protect all communities in Wales. Resilience must therefore come

¹ Discretionary Assistance Fund (DAF)- **£1.3M**Emergency Financial Assistance Scheme (EFAs)- **£1,989,338M**FCERM Grant in Aid- **£2.89M**

from a range of other adaptative measures but support from a legislative and policy perspective is not in place to support these.

- 11. The current WG criteria to access FCERM capital funding is also restrictive in solely focussing on protecting lives and properties with a need for RMAs to demonstrate direct benefits through the number of properties being protected. Flood risk management however, especially surface water flooding, is intrinsically linked to highway and land management. The highway and topography are often the conduit for surface water flooding. However, because of the assessment criteria used, improvements to the highway infrastructure for a flood risk purpose are often not eligible under FCERM. The current approach of focussing on specific assets/areas rather than a more holistic approach may reduce the level of protection.
- 12. Furthermore, there is an added requirement under the Well-Being of Future generations Act to deliver multiple benefits and be more integrated in our delivery of capital schemes. However, current WG budgets do not offer the opportunity to maximise these opportunities as they tend to be managed in silos by different departments with different priorities. Until WG budgets become integrated, we will not be able to fully deliver multiple benefits.
- 13. It is also important to highlight the resources needed to deliver effective and pro-active flood risk management. All these resources have revenue funding implications and councils receive a ring-fenced grant from the WG FCERM branch (£50k annually increased to £105k this year) on top of the Revenue Support Grant (RSG) which councils allocate based on priorities.
- 14. Whilst we welcome this year's increase in revenue funding, it is unfortunately insufficient to increase the resilience of councils' flood services and to adopt a pro-active approach to flood risk management. The expectation of councils to subsidise using the RSG is also unrealistic in the face of ongoing cuts as highlighted in Figure 1.

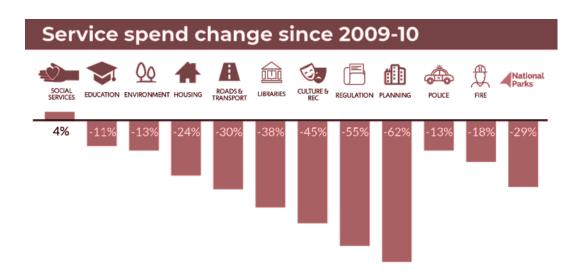


Figure 1- Local Government budget cuts

- 15. The resilience of FCERM services is further hindered by additional non-funded duties placed on FCERM services (Sustainable Drainage legislation). In practice, this translates into an inability to employ more staff, a hindered ability to inspect, investigate and manage existing assets as well as deliver more capital schemes. Furthermore, having to wait each year to find out what its grant will be undermines councils' confidence and willingness to allocate additional, upfront revenue themselves. The WLGA has long called for increased revenue funding to support councils' FCERM work and services and for longer term settlements.
- 16. Emergency flood response is delivered by a range of stakeholders and triggered during and after flood events. The Council's emergency response to flooding is provided by a number of different teams and varies according to the nature of the flood event. Typically, Street scene (Highways), Social Services, Housing and Facilities and Emergency Planning would be involved, with support from the flood risk management team and the senior leadership team. The work will include preparing for an event, supporting, and protecting communities during an event as well as undertaking huge operational activities afterwards from cleaning-up to emergency works on failed assets. This work also includes support in response to requests for assistance from businesses and residents affected
- 17. The funding required for such events (emergency funding) is usually based on the scale of impacts and ability of councils to estimate accurately the costs of impacts. It consists of a mix of revenue and capital funding to cover a range of activities. The WG made several funding pots available to councils last year (refer to para7) including 100% capital funding from the FCERM Branch which supported emergency works on flood assets. Although the capital funding from the FCERM Branch was only possible due to an underspend to last year's

budget, historically the WG <u>has</u> responded positively in providing emergency funding to councils. However, with major storms happening in winter and the time needed to safely start work, councils are under huge pressure by the constraints of the financial year and their own capacity to make full use of this emergency funding. This ultimately leads to councils being unable to deliver other FCERM statutory functions to ensure funding deadlines are met. The WLGA would encourage the WG to remove those 'end of year' constraints for emergency funding.

18. To our knowledge Emergency Planning and other blue light services represented through the Local Resilience Forums (LRFs) do not receive additional funding from the WG to support emergency flood response. Furthermore, Emergency Planning teams within councils have been decimated and real term reductions in local authority budgets will inevitably have had an impact on the Council's response to flooding, to a greater or lesser extent, depending on the scale of the event.

Q2: Will more emergency funding be necessary to assist local authorities to deal with flooding this winter.

- 20. It is impossible to predict whether the winter of 2020/21 will be as storm dominated as 2019/20. However, statistical records highlight that flooding seems to be more likely than, say, 10 years ago. Whatever the statistical likelihood of flooding this winter, it makes sense to prepare for the worst. That includes setting funding aside to be able to respond rapidly, according to need. However, the intermittent and unpredictable nature of flood events as well as the current financial hardship exacerbated by the COVID pandemic means that identifying dedicated Council contingency funding and resources to respond to these events isn't realistic. Equally, the WG cannot set aside contingency funding 'in case of flooding' and has historically been able to find emergency funding when required.
- 21. One of the most important aspects of flood response is the activities that are carried out in advance of a flood event. For example, inspecting and clearing screens, culverts, highway drains and other critical flood assets as well as undertaking regular cctv inspections and investigations throughout the year. There are occasions when this can be a severe challenge to councils and resources can become stretched and possibly overwhelmed as result of dealing with several weather extremes at once like storm Ciara and Dennis. However, the critical issue hindering this pro-active approach to preparedness is the ongoing lack of revenue funding which currently results in councils being reactive. With climate change in mind and the current

level of revenue funding allocated to councils, we feel that councils are a long way away from being fully prepared and resilient.

Q3: Are local authorities sufficiently supported to recover from a major flooding event, undertake any necessary investigations and make changes needed to manage the risk of a recurring event

- 22. The support required to recover from a flooding event is 2-fold: financial and other resources. As highlighted above, it is impossible to financially plan and have contingency funding in place. Historically, the emergency funding provided by WG has been acceptable in supporting councils with the recovery costs associated with floods, albeit with delays in it being issued and time constraints associated with the financial year.
- 23. Following last winter's floods, the WG triggered the Emergency Financial Assistance Scheme (EFAS) for revenue costs and 'other than flood assets' capital costs. The EFAS for revenue costs was deemed inadequate due to the current grant rates and threshold² which left councils out of pocket. The WG is still in discussion with central government for the capital funding and we understand that a settlement of £100M over 4 years has been requested. 8 months down the line and councils have not been informed of this funding being secured.
- 24. Compiling EFAS claims was a significant piece of work for councils who were also being asked to identify the recovery costs of the floods (split over 3 financial years). The February floods triggered an unprecedented amount of information requests from the WG and other organisations. The requested information has often been a duplication, with queries being sent to different points of contact within the Council. There was also a further expectation from the WG for councils to manage the Discretionary Assistance Fund applications and undertake households visit to reduce the risk of false claims. This added further stress on already overwhelmed services, again impacting on their ability to focus on emergency and recovery.
- 25.On the other hand, the lack of resources makes responding to major flood events very difficult. Such events generate huge volumes of workload through the initial response phase to investigations, reporting, public engagement, and scheme development. Furthermore, there is a public expectation that a flooding problem should be resolved immediately after the event, whereas in reality it can take years. As an example, RMAs are still in recovery mode from

² Rates are calculated at 0.2% of an authority's annual budget requirement. (These apply to the whole financial year, not to each incident within the financial year so the more incidents in a year the more likely the threshold will be crossed). For qualifying expenditure above the threshold, grant is normally paid at 85%. For significant incidents where eligible expenditure exceeds ten times the threshold, 100% will be reimbursed.

- last winter's floods, section 19 reports are still ongoing and numerous capital schemes are yet to be identified, developed, funded, and constructed.
- 26. Councils and other Risk Management Authorities are not resourced enough and the issue is further exacerbated by a current deficit in skilled workforce which *a)* makes it difficult to identify suitable candidates, *b)* increases reliance on external contractors who are also reaching capacity limits, especially when commissioned on the back of flood events. It is clear that additional long-term financial support is required to reverse the current trend and capital funding alone cannot solve this.
- 27. Councils are clearly at the forefront of recovery and are heavily involved throughout a flooding incident and post incident as well as supporting communities impacted. However, the level of support that flooded communities require (sometimes for years after) is beyond councils' capability as it often requires dedicated resources with specific skills to provide the necessary support and increase communities' health & well-being.

Q4: how effective the Wales Flood and Coastal Erosion Committee is in providing an advisory and coordinating role to Welsh Government.

- 28. The Flood & Coastal Erosion Committee is still in its infancy being in place for just over 12 months. As such, it is too early to assess its efficacy in its advisory and coordinating role. The committee has so far been very pro-active in responding to various WG consultations including the Updated National Strategy for Flood & Coastal Erosion as well as the National Development Framework.
- 29. The Committee has also developed a robust work programme informed by the needs of RMAs and national priorities and is looking to target some key issues inherent to FCERM including the lack of resources, the need to identify alternative funding mechanism for capital works and reviewing current FCERM policies and legislation. These specific areas of work have already started with sub-committee groups set-up.

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